

Personnel Issues & You



UPPS Newsletter 2003-3

March 1, 2003

*Personnel Cabinet
5th Floor, 200 Fair Oaks Lane
Frankfort, Kentucky 40601*

*Secretary
Carol M. Palmore
Suite 516, 502-564-7430
Fax 502-564-7603*

*Julie True, Commissioner
Department for
Employee Relations
Suite 511, 502-564-7911
Fax 502-564-4311*

*Herb Sheeting, Commissioner
Department for
Personnel Administration
Suite 530, 502-564-2428
Fax 502-564-5826*

*Personnel Cabinet Web Site
<http://personnel.ky.gov/>*

Important Change for U.S. Savings Bonds

The U.S. Department of the Treasury has informed us of an important change to the terms and conditions for U.S. Savings Bonds. **Series EE and I Bonds with an issue date of February 2003 or later must be held for at least 12 months before they can be redeemed.** Savings bonds issued prior to February 2003 may be cashed after six months.

Please notify your employees of this change in terms on savings bonds. A poster provided by the Department of the Treasury is included in this newsletter to assist you in notifying your workforce.

Monthly Payroll Schedules for 2003

The April payroll schedule has been changed. Please note the dates on the payroll schedules for 2003 available on the Personnel Cabinet's intranet website at <http://kygovnet.state.ky.us/personnel/paysch.htm>.

INSIDE THIS ISSUE	
1	Important Change for U.S. Savings Bonds
1	Monthly Payroll Schedules for 2003
1	United Concordia Rate Changes
2	Save More Taxes than Ever Before
3	Changes to the "A" Screen in CICS
4	Savings Bonds Poster

United Concordia Rate Changes

United Concordia's rates shown below were effective with the 12/1/02 thru 12/15/02 pay period and have already been entered into the system.

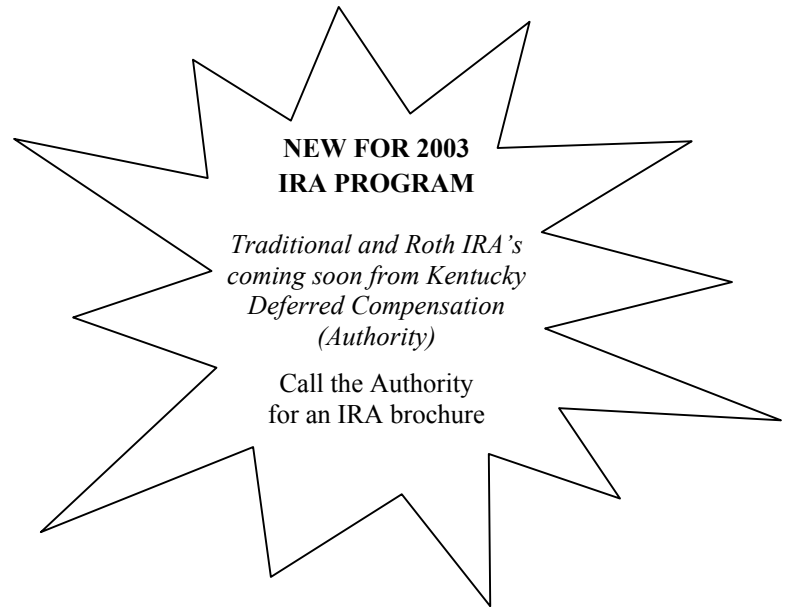
Concordia Plus - Monthly
Single - \$11.64
Single one Dependent - \$23.98
Family - \$35.04

SAVE MORE TAXES THAN EVER BEFORE

New maximum deferral limits

Also, coming soon to a deferred comp plan near you.

Maximum Deferrals for 2003		
	Under Age 50	Age 50 and over ²
457	\$12,000	\$14,000
401(k)	\$12,000	\$14,000
Combination ¹	\$24,000	\$28,000
"Still No Minimum Deferral"		
¹ Participation in a 403(b) Plan used primarily by educational institutions may restrict your overall limit with Kentucky Deferred Comp. Call us for details.		
² Higher limits apply to individuals attaining age 50 at any time during the calendar year.		



Leaving state government this year? Kentucky Public Employees' Deferred Compensation Authority (Authority) may be able to help you save on taxes.

Here is how that might work. Many state employees will retire from service this year. Most of them will receive payment (often thousands of dollars) for accumulated annual leave and compensatory time. Because these payments are such large lump-sum events, they are taxed at an extra ordinarily high rate – often in excess of 40%.

If you are retiring from Kentucky state government in 2003, you can work with the Authority to shelter much* of your payment for accumulated leave from state and federal income taxes. By completing and signing a form or two, you may be able to save thousands in taxes for 2003.

To contact the Authority call 800.542.2667 or in Frankfort 502.573.7925 or visit us on the web at www.kentuckydcp.com.

**You cannot shelter all of this payment for accumulated leave from taxes. To process your payment the payroll system must produce a small check of at least \$5 and withhold certain taxes (FICA, local etc. will be due). In addition, retirement contributions are mandatory on your compensatory time payment. This works to your advantage by enhancing your payment from the retirement system.*

Changes To The 'A' Screen In CICS

Please note that we have made some changes to the "A" screen. We have re-labeled the two different lines used for an employee's address. The street address, rural route address, or the P O Box address goes on the second line. If there is an apartment number, suite number or apartment box number it also should go on the second line. The first line should only be used if you do not have enough room on the second line to include the apartment, suite or box number. There are approximately 1900 employees state-wide with their address in the first line and Carol Kelien will be contacting you to correct them on the "A" screen. This is particularly important if the employee purchases bonds and the address is on the first line because in that case, the system truncates the address.

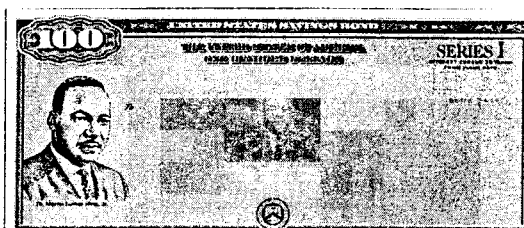
U.S. Savings Bonds

Change in Redemption Terms



Series EE and I Bonds with an issue date of February 2003 or later **must be held for at least 12 months** before they can be cashed.

Savings bonds issued before February 2003 can be redeemed after 6 months.



For more information about U.S. Savings Bonds, visit www.treasurydirect.gov

Please post until May 1, 2003